

Set	Items	Description
S1	10345	TARIFF
S2	3499	LOOK(W)UP(5W)TABLE
S3	0	S1 AND S2
S4	5352	LOOK(W)UP(5W)TABLE?
S5	382577	DATABASE
S6	0	S1 AND S4 AND S5
S7	1020	5 AND S1
S8	6496814	COMPARE? OR MATCH???
S9	231	S7 AND S8
S10	56518	SHIPPING
S11	3139	IMPORT(N)EXPORT
S12	85	S10 AND S11
S13	2	S12 AND S1
S14	0	HOWFILE

13/9/1 (Item 1 from file: 647)
DIALOG(R)File 647:CMP Computer Fulltext
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01217047 CMP ACCESSION NUMBER: EBN20000612S0071
Global cos. get logistics assistance
Mike Cruz
ELECTRONIC BUYERS NEWS, 2000, n 1215, PG94
PUBLICATION DATE: 000612
JOURNAL CODE: EBN LANGUAGE: English
RECORD TYPE: Fulltext
SECTION HEADING: The Channel
WORD COUNT: 475
TEXT:

Creating a global reach can be difficult for companies not savvy in international logistics. Taxes, tariffs, regulations, and compliance issues can translate into shipment delays, unclaimed products, and costly returns if the correct processes are not followed.

Companies striving to be first in international markets and Internet-based organizations that have opened their product catalogs to the world face the most pressure.

"Somebody puts a dot-com behind their name and suddenly they have to extend their global reach. Yet they can't satisfy those orders," said Greg Stock, vice president of marketing at Vastera Inc., a Rockville, Md., creator of a business-to-business global trade marketplace called Tradeprism.com.

Most new dot-coms don't have the global logistics expertise or systems in place to fulfill international transactions, Stock said. "These are companies that will have to build their own logistics, which can be very costly, or they have to turn to companies like Vastera," he said.

Other global-logistics solution providers include Cintra Software and Services Inc., Global Logistics Technologies Inc., and NextLink Corp.

NextLink, Silver Spring, Md., has **export**, **import**, and logistics applications and transaction engines that tap its global e-commerce knowledge base to help companies determine taxes, pricing, regulations, and compliance documentation. That includes names and addresses of individuals and companies with which it is illegal to do business.

The database also carries 19,000 harmonized **tariff**-schedule product classifications and more than 40 landed cost components for 100 countries, accounting for 95% of the world's trade.

Subscribers can access the information quickly with a Web browser. "More and more brick-and-mortar companies will adopt global-logistics solutions because of the dollars saved (and) the efficiency it creates," said Mary Lou Fox, chief operating officer at NextLink.

At least one Web-based customer using NextLink will see its investment returned in 160 days and save more than \$1.4 million per year in global-logistics costs, Fox said. NextLink has more than 50 clients, including Compaq Computer Corp., Hewlett-Packard Co., and IBM Corp., as well as dot-coms such as Clicklogistics.com, company executives said.

Before NextLink, selecting the correct **tariff** codes for

international shipments was more of an art than a science, said Eric Scholar, chief community officer at Concord, N.C.-based Clicklogistics.com, a subsidiary of Cardinal Logistics Management Inc.

"You've got real exposure out there. International **shipping** is still just really messy," he said.

Cisco Systems Inc. uses NextLinX modules for license termination and transaction screening. Last year, Cisco shipped 4 million packages globally using NextLinX, said Jason Yoder, project lead at San Jose-based Cisco.

"We're probably ramping at 400,000 additional cartons per quarter this year, and we're substantially increasing the use of this system. I can't stress enough how much it's a core system for us," Yoder said.

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13/9/2 (Item 2 from file: 647)
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01215304 CMP ACCESSION NUMBER: INW20000508S0005
Exchanges Fall Short On Global Commerce - Trading abroad often means
taking transactions offline
TIM WILSON
INTERNETWEEK, 2000, n 812, PG1
PUBLICATION DATE: 000508
JOURNAL CODE: INW LANGUAGE: English
RECORD TYPE: Fulltext
SECTION HEADING: NEWS & ANALYSIS
WORD COUNT: 1381
TEXT:

If your company plans to use one of the emerging Web trading exchanges to transact business with companies overseas, grab a Snickers. You could be in for a long wait.

Although an estimated 600 e-marketplaces are jockeying to match corporate buyers and suppliers, virtually none is capable of handling international logistics, credit verification and payment between companies in different countries, according to exchange executives and analysts.

The promise of these b-to-b exchanges is to open up new markets, said AMR Research analyst Pierre Mitchell. "But the number of exchanges that can actually complete those transactions across borders is so small that I could count them on my hands," he said.

The exchanges are only just beginning to address key issues-such as language translation, currency conversion, tariff calculation, customs documentation and cross-border financial settlement-central to international e-commerce among businesses.

As a global company, DaimlerChrysler buys parts and sells vehicles globally.

"But when it comes to issues such as payment and credit settlement, we are dealing mostly through banks and via paper and fax," said Peter Weiss, project director for the "e-extended enterprise" at the auto-maker, which is building an automotive parts and materials exchange with General Motors and Ford. "What we would like to do is digitize that process, not only regionally but globally."

In many industries, more international business is conducted than U.S. business, yet online marketplaces in those industries can handle only U.S. transactions. PlasticsNet, for example, can execute full transactions between buyers and suppliers in the United States, but participants in different countries must go offline to negotiate logistics and payment for deals made via the Web.

Because 75 percent of the plastics industry is outside the United States, PlasticsNet knows it must set up overseas marketplaces. "But to do it right, we need to have a local presence in each region," said Tim Stojka, CEO of Commerx Inc., which operates PlasticsNet. "Most business in the plastics industry is done regionally, so we envision regional marketplaces that will be interconnected globally."

The need for globalization of e-marketplaces is becoming more acute, according to a study published last week by research firm eMarketer.

Over the next few years, growth in non-U.S. e-commerce will outpace U.S. growth, with e-commerce sales outside the United States accounting for more than 40 percent of the total market by 2003, the report said.

It's Not Just The U.S.

Anxious to capitalize on the b-to-b euphoria, many established companies and start-ups formed e-trading exchanges for U.S. buying and selling, but never developed the capability to calculate international **shipping** costs or an automated method for settling transactions that involve different currencies or financing methods.

"We just don't know how we're going to handle some of those issues yet," Stojka said.

In addition, international transactions will require the creation of customs documents and other forms that may need to be translated into different languages or formats, noted DaimlerChrysler's Weiss. "There will be a need for tools that let workers see forms in their native languages, and for translating catalog data so that it can be understood by anyone," he said.

For now, most exchanges are addressing these issues either by handling transactions only for U.S. and English-speaking businesses or by positioning themselves as "matching" services that don't handle the total transactions.

PlasticsNet, for example, lets non-U.S. companies log onto the exchange to access catalog information or receive quotes, but participants then must go offline to negotiate international shipment, tariffs or payment issues. By contrast, U.S. buyers and sellers can get recommendations on logistics or financing directly through the exchange.

E-Steel, which plans to extend its U.S. steel exchange to Europe and Asia, lets buyers and sellers share product specifications and commercial business terms, but it leaves the negotiation of the transaction to the buyer and the seller, whether they're in the United States or not.

"We're the enabler, but we don't handle logistics or payment for anyone," a spokeswoman said. "Once the buyer and the seller have found each other, they handle negotiations and **shipping** issues the way they normally would offline."

The GM/Ford/DaimlerChrysler exchange will follow much the same model, Weiss said. "It's a bit like eBay-the seller will set its own rules for shipment, payment and credit options, and once a sale is made, those things are negotiated with the buyer," he said. "If there are international considerations, those would be addressed by the buyer and seller during the negotiations."

A few marketplaces are facilitating international transactions by minimizing the number of participants and products involved and setting clear, cross-border standards. CheMatch.com, for example, deals only in about 30 different chemicals so far, and its membership consists of 260 of the best-known chemical companies whose credit qualifications are seldom at issue.

"Although the bidding process is anonymous, there is a list of all the potential players at the outset, and companies can preselect who they will offer credit to," said Gerry Elias, vice president of communications at CheMatch.com.

Help On The Way

While online b-to-b exchanges so far seem to be working around the

international trade problem, that strategy won't work for long, experts said.

"If you're a company that sells in the U.S. but keeps most of its inventory somewhere in the Benelux region, fulfillment is going to become an issue very quickly," AMR's Mitchell said. Just as consumer e-commerce companies encountered payment and fulfillment problems as they boosted sales, companies that sell via industrial exchanges could have trouble with settlement and **shipping** if they don't get help from marketplace operators, he said.

Several vendors are stepping forward to help the trading exchanges globalize. One such company is Syntra, which sells software that lets marketplaces and companies calculate the total cost of **shipping** goods overseas-sometimes called "landed cost"-and verify that international orders are handled in compliance with country-specific import regulations and documentation.

"It will be almost imperative for every b-to-b exchange to be able to quote the exact cost of transporting goods overseas, and to complete transactions as well as match buyers and sellers," said Steve Cole, vice president of marketing at Syntra.

The Syntra software and Web site can be linked to an e-marketplace's infrastructure technology-such as Ariba or Commerce One-to help deliver international landed cost calculation and compliance information to participants in different countries, Cole said. The Syntra package constantly updates **import/export** regulation information from different countries and lets companies set their own automated rules for handling e-commerce with international partners, he added.

The rapid pace of change in international **import/export** regulations, as well as tariffs and **shipping** costs, makes it very difficult for short-staffed exchanges to keep up, Cole observed. "We've got 30 people on our staff whose only job is to track the changes in international trade regulations," he said. "It's hard to imagine any exchange doing that."

So far, about 10 percent of exchanges use Syntra's technology or something like it, Cole said. E-Steel and Commerx are evaluating its technology.

Other vendors are attacking the exchange globalization problem from a different perspective. Software vendor Idiom offers tools that help b-to-b sites adapt their content to fit local languages and business cultures.

"Today, most companies and exchanges are providing most of their content in English, and they are getting 85 to 90 percent of their business in the U.S.," said Idiom CEO Fred Lizza. "But once those companies have skimmed off the top layer of business in the U.S., they are going to have to find ways to differentiate themselves and pursue business in other countries. One way to do that is to give companies the option of doing business in their native language, using their native currency."

AMR's Mitchell agreed. "You need to be able to present the content in the form the customer is used to," he said. "If you want to do e-commerce in Germany, you'd better be able to present your catalog in German. Even the screens and the way the data looks to the user will need to be tailored to that region. That's the real untapped promise of these e-commerce sites-to be able to personalize and tailor the data to fit the customer. That's just as true in b-to-b as it is in the b-to-c market."

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